

Title 10: Education Institutions and Agencies

Part 681: Mississippi Teacher Loan Repayment Program (MTLR) Rules and Regulations

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Rule 1.1 Mississippi Teacher Loan Repayment Program (MTLR) Rules and Regulations. These Rules and Regulations are subject to change by the Mississippi Postsecondary Education Financial Assistance Board (hereinafter referred to as the "Board"). The number of awards and recipients are dependent upon availability of funds and selection shall be based on a first-come, first-served basis of all eligible applicants; however, priority consideration shall be given to persons previously receiving awards under the Mississippi Teacher Loan Repayment Program (MTLR).

I. GENERAL ELIGIBILITY

- A. The applicant must be a U.S. citizen.
- B. The applicant must have the appropriate nontraditional educator's license, as determined by the State Board of Education.
- C. The applicant must teach full-time, as defined by the State Board of Education. Qualifying positions include teacher and school librarian; invalid positions include, but are not limited to, the following: assistant teacher, full-time substitute, high school counselor, curriculum specialist or administrator.
- D. The applicant must teach full-time for a period of not less than one (1) academic year in grades kindergarten through twelve (K-12) in a Mississippi public school or public charter school located in a geographical shortage area approved by the State Board of Education OR teach in a K-12 public school or public charter school a critical shortage subject approved by the State Board of Education for 75% of the work day. *NOTE: Designation as a Title I school does not necessarily mean that the school qualifies for teaching service cancellation. It is fully understood that it is the responsibility of the forgivable loan recipient to seek and secure employment in an area designated by the State Board of Education as having a critical teacher shortage. Neither the Board nor the State Board of Education assumes the obligation to perform that function. Geographical and subject critical shortage areas are determined by the State Board of Education. A list of critical shortage areas is published online at www.mississippi.edu/financialaid.*
- E. The applicant must have outstanding qualifying educational loans, received while pursuing an undergraduate degree. Qualifying educational loans obtained while in undergraduate school include the principal, interest, and related expenses such as the required interest premium on the unpaid balances of government (federal,

state or local) and commercial loans obtained by the recipient for undergraduate educational expenses. *Perkins loans and loans attained for receiving a master's degree do not qualify for repayment under MTLR.*

- F. The applicant must not have received funds from the William Winter Teacher Forgivable Loan Program (WWTS), William Winter Alternate Route Forgivable Loan Program (WWAR), Critical Needs Teacher Forgivable Loan Program (CNTP), Critical Needs Alternate Route Teacher Forgivable Loan Program (CNAR), or Teacher Education Scholars Forgivable Loan Program (TES) as an undergraduate student.
- G. The applicant must not have previously incurred an obligation for teaching service to the federal, state, or local government or other entity unless the obligation is completely satisfied prior to the beginning of service under this contract. (i.e. federal TEACH grant, state Graduate Teacher Forgivable Loan Program, or state Counselor and School Administrator Forgivable Loan Program).
- H. The applicant must not be in breach of a teaching service contract to the state under the Graduate Teacher Forgivable Loan Program (GTS) or Counselor and School Administrator Forgivable Loan Program (CSA).
- I. The applicant must not presently be in default or delinquent on any federal, state, local or commercial qualifying educational loan.

II. APPLICATION REQUIREMENTS FOR LOAN REPAYMENT APPLICANT

- A. First time applicants must:
 - 1. Complete an application online at www.mississippi.edu/financialaid by the deadline date of March 31.
 - 2. Submit to the Board by April 30 a copy of the applicant's current Mississippi educator's license.
 - 3. Submit to the Board by April 30 a copy of the applicant's current employment contract with a Mississippi K-12 public school or public charter school to serve as documentation of employment.
 - 4. Submit to the Board by April 30 a completed Loan Data Verification form.
 - 5. Submit to the Board by April 30 additional documentation from the lender or loan servicer for state, local, or commercial loans. Documentation must show the loan's current balance, status (deferred, repayment, etc.), type, and date of disbursement.

6. Signify understanding of the MTLR Rules and Regulations and enter into a Contract and Note with the Board pursuant to the applicable Rules and Regulations and all applicable State laws prior to the disbursement of funds. *Note: The Contract and Note will be issued once the applicant has been awarded. Funds will not be disbursed until the Contract and Note has been signed.*

B. Renewal applicants must:

1. Complete an application online at www.mississippi.edu/financialaid by the deadline date of March 31.
2. Submit to the Board by April 30 a copy of the applicant's current employment contract with a Mississippi K-12 public school or public charter school to serve as documentation of employment.
3. Submit to the Board by April 30 a completed Loan Data Verification form.
4. Submit to the Board by April 30 additional documentation from the lender or loan servicer for state, local, or commercial loans. Documentation must show the loan's current balance, status (deferred, repayment, etc.), type, and date of disbursement.

III. AMOUNT AND LENGTH OF LOAN REPAYMENT

- A. Awards will be made to applicants with outstanding qualifying educational loans obtained while in undergraduate school. Qualifying educational loans obtained while in undergraduate school include the principal, interest, and related expenses such as the required interest premium on the unpaid balances of government (federal, state or local) and commercial loans obtained by the recipient for undergraduate educational expenses. *Perkins loans and loans attained for receiving a master's degree do not qualify for repayment under MTLR.*
- B. The maximum amount of the annual award shall not exceed \$3,000. The annual award amount shall never exceed the outstanding balance of the qualifying undergraduate educational loan.
- C. Program participants may receive up to four (4) annual awards or a lifetime maximum of \$12,000.
- D. Awards shall be paid annually to the recipient's lender/loan servicer and applied to the outstanding balance. Monies paid on the recipient's behalf toward qualifying undergraduate educational loans prior to entering into the Contract and Note will not be eligible for repayment through the MTLR program. Notification shall be mailed to the recipient at the time of payment.

- E. Funds are provided for the repayment of undergraduate loans only.

IV. RECIPIENT RESPONSIBILITIES

- A. The applicant must maintain a nontraditional Mississippi educator's license while participating in the program.
- B. The applicant must continue to teach full-time in grades kindergarten through twelve (K-12) in the State of Mississippi in a public school or public charter school district in a geographical area of the State or subject area of the public school or public charter school curriculum in which there exists a critical shortage of teachers, as designated by the State Board of Education.
- C. While receiving funds, the MTLR recipient must at all times keep the Board informed of the recipient's current, correct, and complete contact information. This information may be updated via the MTLR recipient's student account online at www.mississippi.edu/financialaid. If an MTLR recipient enters repayment, the MTLR recipient must at all times keep the Board or its loan servicer informed of the recipient's current, correct, and complete contact information until the debt is completely satisfied.

V. REPAYMENT

- A. If the MTLR recipient fails to maintain the appropriate educator's license or fails to teach full-time in a qualifying school or position for a complete academic year, the amount that the recipient received under the MTLR program shall be due and payable within ninety (90) days, plus a penalty of 5% of the outstanding principal, and interest on the combined outstanding principal and penalty.
- B. The rate of interest charged an MTLR recipient on the unsatisfied balance shall be the unsubsidized Federal Stafford Loan rate at the time the loan repayment money was paid to the lender on his/her behalf in accordance with the Mississippi Critical Teacher Shortage Act established under section 37-159-1 of the Mississippi Code of 1972.
- C. Interest begins accruing at the time of occurrence of one of the events outlined in Section V.A. or upon termination of a grace period or other deferment, and repayment commences one (1) month after the occurrence of the event.
- D. If the recipient fails to repay the debt (principal, penalty, and interest thereon) within ninety (90) days, all principal, penalty, and interest outstanding, together with costs of collection, shall become immediately due and payable and, demand shall be made by mailing the same to the obligor at the last address furnished by said obligor. Should payment of the sum due not be made in full within thirty (30) days, from the date demand was made, the Contract and Note executed by

the obligor shall be placed with a collection agency or an attorney for collection, at which point the obligor shall become liable for reasonable collection or attorneys' fees, which may be based on a percentage of the amount of the debt, and court costs, in addition to the other sums due and owing.

- E. The obligations made by the recipient of this loan repayment program shall not be voidable by reason of the age of the student at the time of receiving the loan repayment.
- F. Special circumstances regarding a recipient's failure to complete the teaching service and/or repay the debt should be addressed in writing to the Board or its loan servicer.

VI. DEFERMENTS

A. Temporary Disability Deferment

- 1. An MTLR loan repayment recipient in repayment who is unable to secure or continue employment because of temporary total disability may request deferment of the accrual of interest and the repayment of principal and penalty. To qualify, a recipient must be unable to work and earn money due to the disability for at least sixty (60) days, or be providing continuous care for a dependent or spouse during a period of at least (90) consecutive days.
- 2. The temporary disability deferment must be requested in writing to the Board or its loan servicer and must be accompanied by certification from a doctor of medicine or osteopathy who is legally authorized to practice medicine.
- 3. The temporary disability deferment must be requested by the recipient and approved every six (6) months throughout the duration of the deferment and condition for a total period of time not to exceed three (3) years.

B. Military Service Deferment

- 1. In terms of military service the following definitions shall apply:
 - a) **REQUIRED** military service is that service which is required of an individual in the service of the Armed Forces of the United States; it does not include a military service obligation incurred to repay a grant, stipend or scholarship granted the individual prior to, during, or after the award under the Mississippi Teacher Loan Repayment program.

- b) OBLIGATED or VOLUNTARY military service is that service which is performed by the individual in repayment of a debt owed the United States government as a result of military scholarships, ROTC scholarships, etc. received by the individual. Service is VOLUNTARY if the individual is not obligated to incur a period of military service, but chooses to incur the service obligation.
- 2. An MTLR loans/scholarship recipient shall be eligible for deferment of the accrual of interest and the repayment of principal and penalty during the time of required military service.
- 3. The military deferment must be requested in writing to the Board or its loan servicer, stating beginning and ending dates of such required military service, and must be accompanied by a copy of the military orders.
- 4. The military deferment must be requested by the recipient and approved on a year-to-year basis (annually).
- 5. If a recipient continues military service for any reason beyond the REQUIRED time, then that person shall be declared ineligible for military deferment and the remaining unsatisfied principal, penalty, and interest shall become due and payable to the Board according to the terms outlined in Section V.
- 6. If a recipient obligates himself/herself to VOLUNTARY military service prior to, during, or after the MTLR award, then that person shall be declared ineligible for military deferment and the remaining unsatisfied principal, penalty, and interest shall become due and payable to the Board according to the terms outlined in Section V.

VII. CANCELLATION OF DEBT

A. Death

- 1. If an individual recipient dies, then the recipient's obligation to repay the loan or render service is canceled.
- 2. The Board shall require a copy of the death certificate or other proof of death that is acceptable under applicable State Law. If a death certificate or other acceptable proof of death is not available, the recipient's obligation for service or repayment on the loan is canceled only upon a determination by the Board on the basis of other evidence that the Board finds conclusive.
- 3. The Board may not attempt to collect on the loan from the deceased recipient's estate.

B. Total and Permanent Disability

1. If the Board determines that an individual recipient is totally and permanently disabled, the recipient's obligation to make any further payments of principal, penalty, and interest on the loan is canceled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed before he/she applied for the loan, unless the recipient's condition has substantially deteriorated since he/she submitted the loan application, so as to render the recipient totally and permanently disabled.
2. After being notified by the recipient or the recipient's representative that the recipient claims to be totally and permanently disabled, the Board shall promptly request that the recipient or the recipient's representative obtain a certification from a physician, who is a doctor of medicine or osteopathy and legally authorized to practice, on a form provided or approved by the Board and other necessary documents as requested, that the recipient is totally and permanently disabled. The Board shall continue collection until it receives the certification or receives a letter from a physician stating that the certification has been requested and that additional time is needed to determine if the recipient is totally and permanently disabled. After receiving the physician's certification or letter and other necessary documents as requested and the student is found to be totally and permanently disabled, the Board may not attempt to collect from the recipient.
3. If the Board determines that a loan owed by a recipient, who claims to be totally and permanently disabled, is not eligible for cancellation for that reason, or if the Board has not received the physician's certification and other requested documents, as described in Section VII.B.2., within 60 days of the receipt of the documents as described in Section VII.B.2., the Board shall resume collection and shall be deemed to have exercised forbearance of payment of principal, penalty, and interest from the date the Board received the documents described in Section VII.B.2. until such a determination of ineligibility is made by the Board.

C. Bankruptcy

MTLR loans are nondischargeable in bankruptcy.

VIII. WARRANTY

The acceptance of the MTLR loan shall serve to appoint the Secretary of State of the State of Mississippi by each recipient as his/her designated agent for service of process, upon whom may be served all lawful processes and summons in any action or proceeding against him/her in the event he/she removes himself/herself from this State and the

processes of its courts, growing out of any breach of Contract and Note by the recipient for failure to fulfill his/her Contract and Note with the Board or, to repay the MTLR Loan, including penalty and interest pursuant to the law and Contract and Note, and, said acceptance of the loan rights and privileges shall be a signification of the applicant's agreement that any such process or summons against him/her, which is so served upon the Secretary of State, shall be of the same legal force and validity as if served on him/her personally. The venue of all causes of action against such nonresidents shall be Hinds County, Mississippi.

IX. AUTHORIZATION

The acceptance of the MTLR loan shall serve to authorize the Mississippi Office of Student Financial Aid, the Board, and their respective agents and contractors to contact the recipient regarding the recipient's loan request or loan(s), including repayment of loan(s), at the current or any future number the recipient provides for the recipient's cellular phone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.

Source: *Miss. Code Ann.* § 37-106-55.